Direction in Response to City Manager's March 15, 2019 Memo re:
Land Development Code Revision Policy Guidance

Each of the City Manager's five questions is restated below and followed by specific direction.

Question 1.   Scope of Code Revision. To what extent should the Land Development Code be revised?

> ***Option A***   Adopt a new Land Development Code, consisting of:
>
> > i.   A new Land Development Code (text) <u>and</u> Zoning Map, to take effect concurrently; or
> >
> > ii. A new Land Development Code (text) <u>only</u>, with the effective date deferred until Council adopts a new Zoning Map.
>
> ***Option B***   Adopt a limited set of amendments to the existing Land Development Code, targeting improvements in one or more policy areas.

In response to Question 1, the City Council selects Option A.i. and provides the following additional direction:

1. <u>Overall Scope</u>. The code revision process should [~~use the staff-recommended Draft 3 (text and map) as a baseline, with revisions made to~~] implement policy direction provided below and in response to Questions 2-5. The code revision process should leverage the community engagement and feedback from the prior process to rewrite the Land Development Code and include elements that are consistent with the policy direction provided below and in response to Questions 2-5. The Manager should work to deliver a new code that is simplified, can be applied consistently, and furthers the goals of the City.

2. <u>Timeline</u>. The manager should have a [~~revised~~] new Land Development Code (text) and Zoning Map ready for Council action on First Reading in October of this year (the Planning Commission having already issued its report on the new Code and Map).

3. <u>Communication</u>.   The Manager should establish and communicate clearly the public input process for Council's adoption of the [~~revised~~] new Land Development Code, including timelines and opportunities for public input.

4. <u>Code Text</u>. The new Land Development Code should first focus on the size and scale of the built environment and then should regulate uses through context-sensitive policies that are clearly identified in the code and apply equitably throughout the City instead of through by-lot zoning regulations. Use restrictions should follow a context-sensitive policy framework ranging from straight-forward incompatible uses (industrial vs. residential) and uses allowed with certain conditions (e.g., hazardous materials prohibited within 1,000 feet of residential units). Simplicity should be a priority when developing the new Land Development Code. The [~~revised~~] new Land

Development Code should be sufficiently clear and unambiguous <u>so</u> that administrative criteria manuals are not relied upon to establish policy, except in circumstances where Council has directed that particular requirements be established administratively.

5. <u>Zoning Map</u>. The [~~revised~~] <u>new</u> zoning map should [~~limit the~~] <u>contain no "</u>Former Title 25<u>"</u> (F25) zoning classification. <u>Specialized zoning districts, such as Planned Unit Developments and regulating plans, which exist today and are of a type contained in the new Code should be carried over. Unique zoning districts (e.g., NCCDs) should be reevaluated in the current context of Austin's housing and transportation needs, and any tools that are beneficial to said needs should be codified Citywide. Unique zoning districts should be mapped using the same planning principles as the rest of the City.</u> [~~to unique zoning districts (e.g., NCCDs and PDAs) for which no similar district exists under the revised Land Development Code. Specialized zoning districts that exist today and are of a type contained in the new Code, such as Planned Unit Developments and regulating plans, should be carried over and not be classified as F25.~~]

Question 2. Housing Capacity. To what extent should the Land Development Code provide for additional housing capacity in order to achieve the 135,000 additional housing units recommended by the *Strategic Housing Blueprint*?

> ***Option A***   Maintain the level of housing capacity provided by current Code (i.e., approximately 145,000 new units);
>
> ***Option B***   Provide a level of housing capacity comparable to Draft 3 of CodeNEXT (i.e., approximately 287,000 new units); or
>
> ***Option C***   Provide greater housing capacity than Draft 3, through enhanced measures to allow construction of additional residential units.

In response to Question 2, the City Council selects Option C and provides the following additional direction:

1. <u>Objective</u>. The revised Land Development Code should provide a greater level of housing capacity than Draft 3, and the City Manager should consider this goal in developing proposed revisions to the Code text and zoning map.

    a. <u>The new code and map should allow at a minimum three units for all residential zoning categories.</u>

    b. The <u>new code and map should achieve a minimum yield of 135,000 new housing units as desired in the 10-year Austin Strategic Housing Blueprint (ASHB). As a result, the</u> new code and map should <u>at a minimum </u>allow for housing capacity equivalent to ~~two~~ <u>three </u>to ~~three four~~ times the Austin Strategic Housing Blueprint (ASHB) <u>10-year</u> goal of 135,000 new housing units, as well as for ASHB goals of 60,000 affordable housing units, and 30%

Missing Middle Housing, and be achieved in a manner consistent with direction provided throughout this document.

c. ~~In general, additional by-right entitlements achieved through mapping and code revisions should be provided only with the intent to increase the supply of missing middle housing and income-restricted affordable housing alongside market-rate units in activity centers, along activity corridors, and in transition areas.~~

   i. ~~By-right entitlements should only be granted where that entitlement carries with it the requirement to provide additional income restricted affordable housing units or missing middle housing.~~

   ii. ~~[Option: By-right entitlements should be granted where it provides for additional affordable housing bonus opportunities.]~~

   iii. ~~The granting of new entitlements in areas currently or susceptible to gentrification should be limited so as to reduce displacement and dis-incentivize the redevelopment of older, multi-family residential development, unless substantial increases in long-term affordable housing will be otherwise achieved.~~

c. In general, housing affordability should be the primary policy driver of code and mapping revisions and the Manager should explore:

   i. how to ensure that in areas currently experiencing or susceptible to gentrification additional by-right entitlements should only be granted where that entitlement carries with it the requirement to provide additional income restricted affordable housing units or missing middle housing so as to reduce displacement and dis-incentivize the redevelopment of older, multi-family residential development. The granting of additional by-right entitlements in these areas should be limited unless substantial increases in long-term affordable housing or in the number of affordable workforce market rate housing will be otherwise achieved;

   ii. how policies proposed in the "Affordability Unlocked" proposal can be applied to developments near shared community assets – such as schools, transit, grocery stores, job centers, medical facilities, parks, and walkable commercial areas – to increase housing supply and further expand the density bonus programs;

   iii. options to allow some level of administrative variances for some building form regulations (setbacks, height, building cover, etc.) to help maximize the shared community values of housing, tree preservation, parks, and mitigating flood risk;

   iv. the feasibility of how regulations can overlap (e.g., how a drainage field can also safely serve as open space); and

   v. options near shared community assets that provide flexibility in impervious cover regulations when additional drainage infrastructure is provided in order to address both our housing and flood mitigation goals.

d. At least 2/3rds of new housing capacity should be in the urban core bound by MoPac to the West, IH-35 to the East, US 183 to the North, and Ben White to the South.

2. <u>Code Text</u>. Code revisions to provide additional housing capacity should include:
   a. <u>Options for eliminating minimum lot size and lot width.</u>
   b. Non-zoning regulations will be applied so as to allow for higher unit yields for parcels within activity centers and ~~fronting~~ activity corridors. <u>The Manager should develop a prioritization process for non-zoning regulations to resolve conflicts between competing code and criteria manual requirements and within the right of way.</u> ~~Subject thereto, the prioritization of non-zoning regulations will be for transportation [Option: and utility] right-of-way acquisition, traffic mitigation and transportation demand management, drainage, water quality, [Option: Parkland dedication, heritage tree preservation];~~
   c. A city-led testing process to assess the impact of revised regulations which includes participation by design and technical professionals. The testing should examine how the proposed zoning and non-zoning code provisions perform when applied to various types and scales of development.
   d. Measures to dis-incentivize the demolition and replacement of an existing housing unit(s) with a single, larger housing unit.
3. <u>Zoning Map</u>. <u>The revised zoning map should advance the policies and goals in the Austin Strategic Mobility Plan including promoting walkable communities and transit-supportive densities to support a robust transit system.</u> Map revisions <u>that</u> ~~to~~ provide additional housing capacity should include broader use of zones that allow for affordable housing density bonuses than in Draft 3. <u>The revised zoning map should reflect that areas near transit, parks, or other shared community assets are appropriate for denser housing styles.</u>

Question 3. Missing Middle Housing Types. To what extent should the Land Development Code encourage more "missing-middle" housing types, such as duplexes, multiplexes, townhomes, cottage courts, and accessory dwelling units?

Option A	Maintain the range of housing types provided for by the current Land Development Code;
Option B	Provide for a range of housing types comparable to Draft 3; or
Option C	Provide for a greater range of housing types than Draft 3.

In response to Question 3, the City Council selects Option C and provides the following additional direction:

1. <u>Code Text</u>. Code revisions to increase the supply of missing middle housing should include:
   a. Allowing <u>residential house-scale buildings, including single family, duplex, triplex, fourplex, and</u> accessory dwelling units (ADUs), both external and internal/attached, to be permitted and more easily developed in all residential zones;

b. ~~Where appropriate, allowing~~ <u>Allow</u> ~~new~~ <u>additional</u> housing types to qualify as ADUs, including <u>existing homes being preserved,</u> tiny homes on wheels, Airstream-style trailers, modular homes, <u>mobile and manufactured homes,</u> and 3D-printed homes; and

c. <u>Substantially</u> [~~R~~]<u>r</u>educed site development standards for missing middle housing options such as duplexes, multiplexes, townhomes, and cottage courts in order to facilitate development of additional units.

d. <u>Revisions to McMansion regulations to preserve smaller more affordable homes and enable more units per lot within the house-scale form of the neighborhood.</u>

2. <u>Zoning Map</u>. The goal of providing additional missing middle housing should inform the mapping of transition zones, consistent with the direction provided throughout this document.

Question 4. Compatibility Standards. To what extent should the City's "compatibility standards" (i.e., rules limiting development near residential properties) be modified to provide additional opportunities for development?

Option A	Maintain compatibility standards comparable to those in the current Land Development Code;
Option B	Reduce the impact of compatibility standards on development to a degree consistent with changes proposed in Draft 3; or
Option C	Reduce the impact of compatibility standards on development to a greater degree than Draft 3.

In response to Question 4, the City Council selects Option C and provides the following additional direction:

1. <u>Objective.</u> The code revision should [~~reduce the impact of~~] <u>redefine</u> compatibility standards <u>to fully capture the entitlements of properties near shared community assets (e.g., transit, parks, and libraries). Compatibility should start with the maximum entitlements for properties along activity corridors and in activity centers and then step down from there.</u> [~~on development within activity centers and activity corridors to a greater extent than Draft 3.~~]

2. <u>Code Text</u>. [~~Maintain Draft 3's no-build and vegetative buffers between residential and commercial uses, as well as compatibility triggers and standards for properties adjacent to a Residential House-Scale zone.~~] <u>The code revision should go further than Draft 3 in reducing the impact of compatibility standards on development by redefining the regulations. In redefining compatibility standards the code revisions should:</u>

   a. <u>First define the maximum height allowed by-right along activity corridors and in activity centers and then establish regulations that create a step down effect in the transition zones;</u>

3. <u>Zoning Map</u>. Compatibility standards and initial mapping should work together in a way that maximizes housing capacity on parcels fronting activity corridors and within activity centers, consistent with applicable base zoning regulations and with any Affordable Housing Bonus otherwise available. <u>Employment and other uses to create "complete communities" along transit and Imagine Austin corridors and centers should also be allowed in a way that is context-sensitive. In addition, regulations should still allow "village center" type low-density mixed-use and commercial use in neighborhoods to create "complete communities" as seen in places like Clarksville, Hyde Park, North Loop, and Tarrytown.</u>

   a. ~~[The revised zoning map should include a transition zone that will eliminate the impact of compatibility for parcels along all activity corridors and within activity centers.~~

      i. ~~Lot(s) adjacent to parcels fronting an activity corridor will be mapped with a zone (RM1 and above) that does not trigger compatibility and is in scale with any adjacent residential house-scale zones.~~

         1. ~~Such mapping of this minimal transition zone may not occur in some situations, if Council can craft specific, context sensitive general criteria that provide staff with sufficient mapping direction. [Such criteria, if any, would need to be provided by Council.]~~

         2. ~~The revised zoning map may include additional transition depth, if Council can craft specific, context-sensitive general criteria that provide staff with sufficient mapping direction. [Such criteria, if any, would need to be provided by Council.]~~

   b. ~~Employment and other uses to create "complete communities" along transit and Imagine Austin corridors and centers should also be allowed in a way that is context-sensitive.]~~

Question 5.   Parking Requirements. To what extent should the City's minimum parking requirements be modified to provide additional opportunities for development and/or encourage transit options consistent with the *Imagine Austin* comprehensive plan?

Option A	Maintain minimum parking requirements comparable to those established in the current Land Development Code;
Option B	Reduce the impact of minimum parking requirements on development to the same degree as Draft 3; or
Option C	Reduce the impact of minimum parking requirements on development to a greater than Draft 3.

In response to Question 5, the City Council selects Option C and provides the following additional direction:

1. <u>Objective</u>. The code revision should [~~seek to reduce the impact of~~] <u>eliminate</u> minimum parking requirements [~~on development to a greater degree than Draft 3~~]. <u>The Manager should:</u>
    a. <u>Explore options for adopting parking maximums or minimum unit-yield in areas necessary to ensure sufficient transit-supportive development (e.g., TODs);</u>
    b. <u>Determine if parking in certain areas should be counted against FAR;</u>
    c. <u>Explore the feasibility of decoupling parking from leases; and</u>
    d. <u>Explore options for utilizing public parking and ROW to provide more ADA-compliant parking across the City.</u>
2. <u>Code Text</u>.
    a. Minimum parking requirements should be eliminated [~~in areas that are within the ¼ mile of activity centers, activity corridors, and transit stations with high-frequency service, except for areas where reductions in parking would be particularly disruptive (e.g., neighborhoods with narrow streets and no sidewalks, areas near urban schools)~~].
    b. ADA-compliant parking should be required for certain larger scale developments, even if no minimum parking is otherwise required.
    c. Code revisions should provide that parking structures are able to evolve over time as transportation patterns change, including design standards for structured parking that will facilitate eventual conversion to residential or commercial uses.